CITYCON

VALUATION STATEMENT
31 MARCH 2012

Scope of Instructions

In accordance with our instructions as the External Valuer of Citycon Oyj ("Company"), we have carried out a fair valuation of the Properties held within the Company's investment property portfolio as at 31 March 2012, to arrive at our opinion of Fair Value (no allowance was made for the deduction of typical purchaser's costs).

Fair value is defined by the International Accounting Standards Board (IASB) as:

"*The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants on the measurement date.*"

The International Valuation Standards Board (IVSB) considers that definitions of Fair Value are generally consistent with Market Value and we confirm that the Fair Value reported is effectively the same as our opinion of the Market Value.

We understand that this valuation is required for financial reporting and performance measurement purposes.

We confirm that our valuations are fully compliant with IFRS accounting standards and IVSC valuation standards and guidance. We also confirm that we have no involvement with the subscriber or the properties valued which is likely to cause a conflict of interest in our provision of this advice.

We carried out inspections of each of the properties during September-December 2011. We also re-inspected nine properties during Q1 2012. We have not measured the properties but have relied on the leasable areas supplied to us by the Company. We have not read copies of the leases or of other related documents, but have relied on the tenancy information provided by the Company, which reflects the latest available tenancy position.

The valuations were carried out by local Jones Lang LaSalle offices in Finland and Sweden. In Estonia and Lithuania, we were supported in the delivery of our advice by local affiliates.

This report is addressed to and may be relied upon by the Company. It has no other purpose and should not be relied on by any other person or entity. No responsibility whatsoever is accepted on the part of any third party, other than those specified above and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with such third parties, without our prior written approval of the form and context in which it will appear.

Economic Background

Consumer and business confidence in Western Europe fell substantially in the end of 2011, as a result of the Eurozone sovereign debt crisis and the heightened financial market turmoil that followed. Slightly positive momentum was observed due to the conclusion of the second bail-out of Greece, even though an uncertain atmosphere remains. The economic recovery lost its momentum in the second half of 2011 and GDP growth projection has remained the same as at the end of 2011. At the same time, regional economic disparities persist, as highlighted by the marked contrast between areas such as the Nordics and Germany, and the Southern European economies.

Finland

In 2011, GDP expanded by 2.9% according to Statistics Finland, which means that Finland clearly outperformed the Eurozone average. However, its export driven economy has been affected by weakening economic prospects globally. Finland experienced a drop in exports of 0.7% in Q4 2011 compared to the previous quarter. Due to the gloomy market conditions, the latest forecasts cover a broad range of predictions, the most pessimistic estimating GDP growth in 2012 of around -1%, while the most optimistic forecasts foresee expansion of almost 1%.

Although consumer confidence in the economy has been weakening and was clearly below its long-term average in March (8.0 vs. 13.0 since year 1995), retail sales have continued to increase. This has been supported by the strengthening employment situation and low interest rates. According to Statistics Finland, retail sales rose by 9.2% in February (year-on-year) and the sales volume by 5.5%.

Sweden

GDP growth was 4.0% in 2011, surpassing the EU average (1.6%). GDP growth has been driven by increasing exports, household consumption and business investment, all of which have been assisted by relatively low interest rates and the government's expansive economic policies. Looking ahead, Sweden's GDP is forecast to increase by 1% in 2012 and average 2% pa during the period 2012–2014, compared with 1% per annum for the EU in the same period.

According to HUI (Swedish Retail Institute), Swedish retail sales have seen consistent growth over the last 14 years. Retail sales in Sweden have performed well in recent years and are forecast to outperform most other Western European countries in the period 2011–2015. During 2010, nominal retail sales increased by 3.7%. In 2011, nominal retail sales increased by 0.8%, of which non-daily goods decreased by 0.5% and daily goods increased by 2.5%. An increase of 1.3% in total nominal retail sales is forecast for 2012.

Estonia

The Estonian economy registered record GDP growth in 2011 (+7.6%). However, the outlook for 2012 is driven by the economic slowdown in its export destination countries, mainly Finland and Sweden. Various government and private institutions forecast that the Estonian economy will grow by 1.2–1.7% in real terms in 2012. Increasing domestic demand has been supported by growth in employment and income, but slowing external demand in the coming quarters may affect export driven sectors.

Estonian retail sales returned to growth from February 2011, showing steady monthly growth of 2–6% year-on-year, for the entire year (National Department of Statistics). Retail sales for January grew by 16% year-on-year, slowing slightly to 12% in February, measured based on constant prices. Sales growth was recorded in all product groups. Supported by lower inflation, the retail trade grew by 10% in February. Annual inflation close to 4 % has been recorded over the last 3 months, but slowed down to 2.9% in February. The Ministry of Finance forecasts that annual inflation will remain close to 3.3% in 2012 and decline further after then.

Lithuania

Lithuania recorded rapid economic growth until Q1 2012, but with lower growth projected in its main trade partner countries and as confidence indicators in Lithuania and foreign countries deteriorate, Lithuania's economy may slow in the coming quarters. The Central Bank of Lithuania forecasts that Lithuania's real GDP, which grew by 5.9 % in 2011, will increase by 2.2% in 2012.

Annual inflation grew by 4.1% in 2011. Due to slower economic development and lower external price pressures, inflation is expected to decline from 4.1% in 2011 to 2.1% in 2012.

Measured at constant prices, Lithuanian retail sales grew by 9% year-on-year during 2011. Retail sales growth in the grocery segment grew at twice the speed of the non-food segment.

Source: Statistics authorities, research institutes and banks

Property Market

Finland

Overall, the Finnish property investment market has witnessed low levels of transactions since the slowdown in H1 2008. Although investment demand has been increasing, the scarce supply of prime assets has limited transactional activity. Despite a retail investment volume in Q1 2012 which was almost double that of the figure for Q1 2011, no major increase is forecast in transaction volumes for the year 2012. As a result of strong investment demand, both shopping centre and retail warehouse prime yields have decreased since Q1 2010, but the short-term forecast for yields is currently stable.

The polarisation of the market seems to be continuing. Demand for core assets remains strong, as equity rich investors keep looking for safe havens, while tightening financing conditions are affecting the business logic of value added and opportunistic investors.

As a consequence of relatively strong retail sales development, retail rents have also been increasing. However, particularly in the retail warehouse sector, rental growth has been focused solely on the very best locations, while overall occupier demand is strongest in prime high street and shopping centre units.

Sweden

The retail property transaction volume increased from SEK 3.22 billion for the first half of 2010, to SEK 8.537 billion for the first half of 2011. While no accurate forecast can be given for the first half of 2012, given that the retail property transaction volume for the first quarter of 2012 was some 0.6 billion (18% of the volume recorded for the first quarter of 2011), it is likely to be weaker than the first halves of 2010 and 2011. In the first quarter of 2012, retail property transactions accounted for 3% of the total transaction volume for Sweden, with most volume accounted for by office (40%) and residential (42%) transactions.

In H1 2011, 94% of retail property investment transactions involved either an international vendor or purchaser, compared with 70% in 2010. In the first quarter of 2012, some 84% of retail transactions were cross border, due to which the trend, of a very high percentage of transactions being made by cross border investors, will continue.

Yields for prime shopping centres are currently in the region of 5.50% and 6% for prime retail warehouse parks, and have remained stable over the last 3 quarters.

Estonia

Retail is the most actively developing sector of the Estonian commercial real estate market. Demand for shopping centre space has been growing as shopping in centres increases its share of shopping behaviour and retail chains expand cautiously. Despite the global turmoil, the outlook for Estonian retailing is positive, and plans to enlarge existing shopping centres have been resumed. In 2011, several new supermarkets were opened across Estonia and grocery retailers are seeking possibilities for further expansion. The largest shopping centres have enjoyed a rental rate recovery of 3-5% and the vacancy rate remains close to 0%.

Average retail net initial yields in the Baltic countries remained at 8+%, although some investors demand a risk premium for investment objects located in Latvia and Lithuania, due to the relatively higher country risk compared to Estonia.

Lithuania

In Vilnius, no new shopping centres are under development, although some super- and hypermarkets are under construction. Secondary and tertiary cities have seen the launch of three new retail locations, while some new small shopping centres are planned in Vilnius. Rents in the centres bottomed out in 2010 and a slow rental recovery is expected during 2012. A large gap persists between rent rates in primary and secondary objects. Well-managed shopping centres have practically no vacant space in the larger Lithuanian cities. The average vacancy on the capital's retail market has declined to 4%. Rent rates and vacancy will remain stable in 2012.

Valuation Rationale

We have adopted a 10-year cash flow model as a main valuation method. This model was provided by the Company. Cash flows are calculated based on information from existing lease agreements. For the period after the expiry of these agreements, our market evaluation of the estimated rental value (ERV) replaces the contract rent.

Potential Gross Rental Income equals leased space with respect to contract rents and vacant space with respect to ERV. Deducting both the ERV for the void period between the expired contract and assumed new contract, and the assumed general vacancy level, results in the Effective Gross Rental Income. Effective Gross Rental Income less operating expenses (incl. repairs and tenant improvements) equals the Net Operating Income (NOI). NOI less any capital expenditure equals the bottom-level cash flow that has been discounted to reach the income stream's present value.

The residual value at the end of the 10-year cash flow period is calculated by using an exit yield to capitalise the 11th year bottom-level cash flow. The value of the property is calculated as the sum of the annually discounted net income stream, the discounted residual value at the end of the calculation period, and any other assets increasing the value (e.g. unused building right or unbuilt plot).

Development projects are included in the valuation of the portfolio, in line with information received from representatives of the Company. Based on the applied valuation model, future rental income is based on finalised rental agreements and rental projections for the valued development project. Correspondingly, the development period is considered a period when premises generate no/limited income and when uncommitted investments are included in the cost side of the valuation model, as a value reducing factor. Thus, the value of development project increases automatically as investments are committed and the opening day of the renewed premises approaches.

Valuation

Property Portfolio

The property portfolio mainly consists of retail properties located in Finland, Sweden, Estonia and Lithuania. Citycon Oyj fully or partly owns a total of 76 properties, of which 58 are located in Finland, 14 in Sweden, 3 in Estonia and one in Lithuania. The core of the portfolio is 35 shopping centre properties, which comprise 79% of the portfolio's leasable area and represent most of its value. In addition to the shopping centres, there are other commercial properties and development properties. Except one plot in the Helsinki metropolitan area, all of the owned properties have been built.

Since the previous valuation, Citycon has sold one property; Valtari. Valtari is a local shopping centre located in Kouvola, Finland. The value of divested properties in the Q4 valuation was approximately EUR 2,000,000. A property named Valtakatu 5-7 has been moved from the portfolio under valuation to Investment Properties Held for Sale. It is therefore no longer included in the valuation. The value of this property in the last quartile was approximately EUR 80,000.

The total fair value of the portfolio in Q1 2012 was approximately MEUR 2,542. Comparing the Q1 2012 and Q4 2011 fair value of the portfolio, excluding disposed property, the fair value increased by MEUR 29 i.e. 1.2% but the weighted average yield requirement of the portfolio remained the same (6.4%) as in Q4. The increase in fair value is mainly driven by investments made in Q1, an increase in rents and the strengthening exchange rate of the Swedish krona (SEK).

In the table, weighted average yields (weighted by the value of the property) are presented. Citycon's portfolio includes only a few relatively valuable properties compared to the rest of the portfolio. This means that weighted averages are highly influenced by changes in these few properties. Iso Omena is the portfolio's most valuable property.

Properties in Finland

Since the fair value of the Finnish portfolio is MEUR 1,549, the value of the portfolio increased by 0.6% (MEUR 10), excluding the disposed property, compared to the Q4 value. The weighted yield requirement remained the same as in the previous quarter, at 6.3%. The weighted initial yield and reversionary yield both increased by 10bsp from the previous quarter, the initial yield now being 6.1% and the reversionary yield 6.9%.

The change in the value of Finnish portfolio is mainly due to the value increase in shopping centre properties. When sold property is included, the change in the value is 0.5%.

Properties in Sweden

The fair value of the Swedish portfolio is MEUR 707, meaning that the portfolio's value has increased by 1.1% since Q4, when it was MEUR 695. The weighted average yield requirement for the Swedish portfolio remained the same as in previous quarter, at 5.9% in Q1. Both the weighted average initial yield and the weighted average reversionary yield have increased, with the reversionary yield now 6.7% (6.6% in Q4) and the initial yield 5.8% (5.5% in Q4).

Properties in Estonia and Lithuania

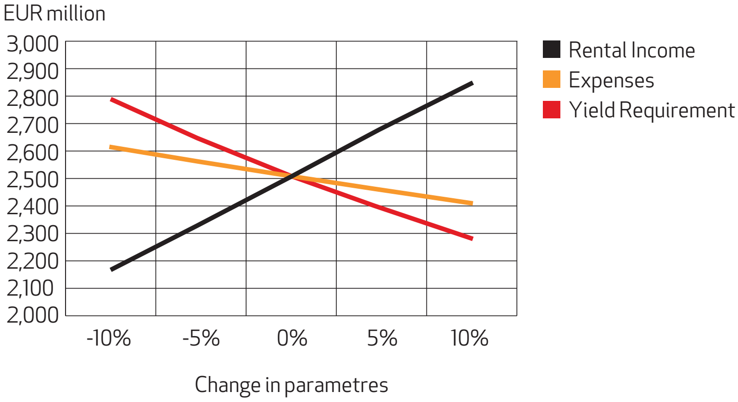
The value of the Estonian and Lithuanian portfolio is MEUR 285. Compared to the Q4 value, this represents a 2.8% increase in value. The weighted average yield requirement of the portfolio has remained the same as in the previous quarter, at 8.0%. The weighted average initial yield increased to 8.3% (8.2% in Q4) and the weighted average reversionary yield fell to 8.3% (8.4% in Q4).

31 March 2012	Number of Properties	Fair Market Value, EUR million	Wght. Average Net Yield Requirement, %	Wght. Average Initial Yield, %	Wght. Averag Reversionary Yield, %	Wght. Average Market Rent, EUR/sq.m./month	Wght. Average Operating Costs EUR/sq.m./month
TOTAL PROPERTY PORTFOLIO							
Finland	58	1549	6.3%	6.1%	6.9%	25.6	6.3
Sweden	14	707	5.9%	5.8%	6.7%	24.0	7.1
The Baltic Countries	4	285	8.0%	7.4%	8.3%	20.8	3.5
Total	**76**	**2542**	**6.4%**	**6.3%**	**7.0%**	**24.6**	**6.2**
Finland							
Helsinki Metropolitan Area							
Shopping Centres	10	791	5.8%	5.7%	6.2%	28.2	7.1
Other retail properties	19	86	8.0%	7.9%	9.2%	15.9	5.0
HMA Total	**29**	**878**	**6.0%**	**5.9%**	**6.5%**	**27.1**	**6.9**
Other parts of Finland							
Shopping Centres	12	549	6.4%	6.2%	7.1%	25.9	5.8
Other retail properties	17	120	7.8%	7.5%	9.4%	13.4	3.6
Other total	**29**	**669**	**6.6%**	**6.4%**	**7.5%**	**23.7**	**5.4**
Sweden							
Greater Stockholm Area and Umeå							
Shopping Centres	8	601	5.8%	5.6%	6.5%	25.4	7.4
Other retail properties	2	21	7.2%	7.5%	7.6%	16.1	4.6
Total	**10**	**622**	**5.8%**	**5.7%**	**6.5%**	**25.1**	**7.3**
Greater Gothenburg Area							
Total	**4**	**74**	**6.9%**	**6.7%**	**7.7%**	**14.8**	**5.1**
The Baltic Countries							
Total	**4**	**285**	**8.0%**	**7.4%**	**8.3%**	**20.8**	**3.5**

Sensitivity Analysis

A sensitivity analysis of the portfolio's fair value was carried out by creating a summary cash flow based on individual cash flow calculations. Changes in fair value were tested by modifying the key input parameters of the calculations. The parameters tested were yield requirement, estimated rental value and operating expenses. The current fair value of the properties was used as a starting point for the analysis, which was performed by changing one parameter at a time while all others remain unchanged, and then calculating the corresponding fair value of the total portfolio. The sensitivity analysis is a simplified model, intended to support one's understanding of the value effect of different parameters on the valuation. The figure below gives the results of the analysis.

The sensitivity of portfolio value



As seen in the figure above, the value of the portfolio is most sensitive to the changes in estimated rental value and yield requirement. A 010% increase in estimated rental value leads to change of around 14% in value, while a 10% fall in the yield requirement causes a fall of around 11% in value. Changes in expenses have more modest effect on the value than other parameters.

Fair Value as at 31 March 2012

We are of the opinion that the aggregate of the Fair Values, free of liabilities and debt, of the properties in the subject portfolio as at 31 March 2012, is as follows:

€ 2,542,000,000
(Two Thousand Five Hundred Forty-two Million Euros)

Yours faithfully

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For and on behalf of
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